

101

## OPTION AGREEMENT

4493

THIS AGREEMENT made this 14th day of March, 1975, between, EDWIN LEIBOLD and LAURINE LEIBOLD, husband and wife, hereinafter called LEIBOLDS, and PERLA DEVELOPMENT COMPANY INC., an Arizona Corporation, hereinafter called PERLA,

## WITNESSETH:

Leibold is the owner of a parcel of land situate in Sections 5, 6, and 8, Township 35 South, Range 7 EWM, Klamath County, Oregon, a more particular description and map is attached to this agreement and made a part hereof.

Perla desires to subdivide the subject property and desires to obtain an option on said property to explore the feasibility of said subdivision.

NOW, THEREFORE, in consideration of the sum of FIVE THOUSAND DOLLARS (\$5,000.00), receipt of which is hereby acknowledged, Leibold grants to Perla the sole and exclusive option for a period of one year from the execution of this instrument, to purchase said property for the sum of \$217,000.00 upon the following terms and conditions.

Prior to the expiration of this option or any extension thereof, Perla shall tender to Leibold not less than twenty-nine (29%) percent of the total purchase price, less any option money previously paid herein, and shall enter into a contract for the purchase of the property in payment of the balance of the purchase price upon a contract calling for equal monthly payments, including interest, over a ten year (10) period, the interest rate shall be eight per cent. Said contract shall further provide for release of acreage at the rate of \$500.00 per acre, or portion thereof, in addition to the monthly payments herein provided for. All payments shall be paid to the

1 the account of Leibold at the Forks State Bank of Forks, Wash-  
2 ington, which bank shall serve as escrow agent.

3 Leibold shall have possession of said property during  
4 the term of this option. It is understood however, that Perla  
5 will be allowed to go upon the property for purposes of survey-  
6 ing and development in a manner that will not interfere with  
7 Leibold's possession. Perla may enter upon the property for the  
8 purpose of surveying and development without notice or liability  
9 to Leibold. Leibold grants to Perla the authority to apply  
10 for and obtain the necessary zone change on the subject pro-  
11 perty in order to allow Perla to proceed with the subdividing.

12 Leibold will make suitable arrangements for the satis-  
13 faction of all prior liens and encumbrances upon the property  
14 as the property is released from the contract, except Leibold  
15 shall not be responsible for clearing exceptions to the land  
16 that are common to the area.

17 All wells, test holes and other improvements made by  
18 Perla will be the property of Leibold in the event that Perla  
19 does not exercise this option, at no cost to Leibold.

20 Perla may extend this option for an additional six  
21 (6) month period beyond the one year period, by payment to  
22 Leibold of an additional FIVE THOUSAND DOLLARS (\$5,000.00) option  
23 money. Notice of intent to extend this option as herein pro-  
24 vided shall be given by letter by Registered Mail at least  
25 fifteen (15) days before the termination date of the first year  
26 period.

27 In the event that Perla does not exercise this option,  
28 or any extension thereof, then all money paid herein shall  
29 belong to Leibold and this agreement shall be void.

30 This option may be recorded by Perla in the office of  
31

the County Clerk of Klamath County, Oregon, however, in any event the legal effect of this agreement as an encumbrance upon the land shall terminate one year from date of execution hereof, unless extended as herein provided.

Should a contract be entered into for the sale and purchase of said property, Leibold agrees to pay Durant Real Estate for services rendered a total cash fee of \$17,000.00. Said realtor's fee is to be paid by the escrow agent from the twenty-nine per cent (29%) down payment deposited to Leibold's account when the contract is executed.

This option constitutes the entire agreement between the parties. No representations, warranties or promises pertaining to this option or any property affected by this option has been made by or shall be binding on any of the parties except as expressly stated herein. This option may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any such change is sought.

All notices of exercise of this option shall be in writing and delivered to Edwin and Laurine Leibold, Clallam Bay, Washington, with copy to Durant Real Estate, 2050 South 6th Street, Klamath Falls, Oregon, 97601.

The interpretation, construction and performance of this option shall be governed by the laws of the State of Oregon, and in the event a lawsuit should arise as a result of this agreement, the venue of the action shall be in Klamath County, Oregon.

IN WITNESS WHEREOF the parties have executed this agreement the day and year first above written.

by: Laurine C. Leibold  
Edwin J. Leibold  
 LEIBOLDS  
 President of Perla Development Company  
 by: Arthur Perla  
 Secretary of Perla Development Company



19  
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21  
22  
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24  
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to  
for



1 STATE OF WASHINGTON )  
2 County of Clallam ) ss.

3 On this day personally appeared before me, EMMER  
4 LEIBOLD and LAURINE LEIBOLD, to me known to be the individuals  
5 described in and who executed the within and foregoing instru-  
6 ment, and acknowledged that they signed the same as their free  
7 and voluntary act and deed, for the uses and purposes therein  
8 mentioned.

9 GIVEN under my hand and official seal this 31st  
10 day of March, 1975.

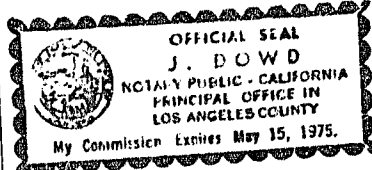
11 Class L. Mabe  
12 Notary Public in and for the State of  
13 Washington, residing at Port Angeles, Fewa.

14 STATE OF CALIFORNIA )  
15 County of Los Angeles ) ss.

16 On this 14th day of March, 1975, before  
17 me, the undersigned, a Notary Public in and for the State of  
18 Oregon, duly commissioned and sworn, personally appeared  
19 Robert M. Perla and Esther Perla, to  
20 me known to be the President and Secretary, respectively, of  
21 Perla Development Company, Inc, the corporation that executed  
22 the foregoing instrument, and acknowledged the said instrument  
23 to be the free and voluntary act and deed of said corporation,  
24 for the uses and purposes therein mentioned, and on oath stated  
25 that they are authorized to execute the said instrument and  
26 that the seal affixed is the corporate seal of said corporation.

27 WITNESS my hand and official seal hereto affixed  
28 the day and year first above written.

29 [Signature]  
30 Notary Public in and for the State of  
31 California, [Signature], residing at Los Angeles.



Page Four

Durant Real Est  
2050 S. 6th  
Klamath Falls  
Clm